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Milwaukee Clearing  
House Association

Constitution and by-laws...  
amended Feb. 25th, 1893

Milwaukee

1893

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# CONSTITUTION

AND

BY-LAWS

OF THE

## MILWAUKEE CLEARING HOUSE

### ASSOCIATION.



ORGANIZED DECEMBER 18th, 1868.

AS AMENDED FEBRUARY 25th, 1893.



MILWAUKEE:  
STANDARD PRINTING COMPANY  
1893.

## OFFICERS OF THE ASSOCIATION.

FOR 1893.

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### PRESIDENT.

D. FERGUSON,

*Vice-Pres't Wis. Marine and Fire Ins. Co. Bank.*

### VICE-PRESIDENT.

CHARLES RAY,

*President National Exchange Bank.*

### CLEARING HOUSE COMMITTEE.

C. F. ILSLEY,

H. H. CAMP,

*Vice-Prest. Marshall & Ilsley Bank.*

*President First National Bank.*

C. C. SCHMIDT,

*Cashier Second Ward Savings Bank.*

G. G. HOUGHTON,

A. B. GEILFUSS,

*President Central National Bank.*

*Cashier Commercial Bank.*

### MANAGER.

JOHNSON McCLURE,

*Cashier Milwaukee National Bank.*

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## MEMBERS.

Wisconsin Marine and Fire Insurance Co. Bank.  
First National Bank.  
Milwaukee National Bank.  
National Exchange Bank.  
Marshall & Ilsley Bank.  
Second Ward Savings Bank.  
South Side Savings Bank.  
Central National Bank.  
Merchants Exchange Bank.  
Commercial Bank.  
Plankinton Bank.  
Wisconsin National Bank.  
German American Bank.

## CONSTITUTION.

SECTION 1. The title of this Association shall be  
"The Milwaukee Clearing House Association."

SEC. 2. Its object shall be to effect at one place the daily exchanges between the several members, and the payment, at the same place, of the balances resulting from such exchanges. But the Association shall be in nowise responsible in regard to the balances resulting therefrom, except so far as such balances shall be actually paid into the hands of the Manager. The responsibility of the Association is strictly limited to the faithful distribution by the Manager, among the creditor members for the time being, of the sums actually received by him; and should any loss occur whilst the said balances are in the hands of the Manager, they shall be advanced by the associated members, for immediate settlement of exchanges, in the same proportion as the other expenses of the Clearing House, as hereinafter provided for.

SEC. 3. The officers of the Association shall consist of a President and Vice-President, who shall be selected from among the members of the Association, and a Manager,

all of whom shall be elected by ballot upon the organization of the Association, and subsequently by ballot at the meeting in January, annually, and shall hold their offices until their successors are chosen and qualified.

The President, and in his absence the Vice-President, shall preside at all meetings of the Association; he shall call meetings of the Association whenever in his opinion the interest of the Association may require it, or whenever requested to do so by the Clearing House Committee.

The Manager, *under the control of the Clearing House Committee*, shall have immediate charge of all business at the Clearing House, so far as it relates to the manner in which it shall be transacted; he shall have the supervision of the settling clerks and messengers, sent to the Clearing House by the members of the Association, who, while at the Clearing House, shall be under his control. He shall act as *Secretary* of the Association, and as such shall keep correct minutes of the proceedings of the Association, in a book provided for that purpose. He shall act as *Treasurer* of the Association, and shall keep a correct account of all moneys received and paid out on account of the Association, as directed by the Clearing House Committee; his salary shall be fixed by the Association, and he shall give a bond satisfactory to the Clearing House Committee, of not less than \$10,000; he shall report to the Clearing House Committee any violation of the Constitution or By-Laws, or any other irregularities on the part of any

member of the Association, so far as the same shall come to his knowledge.

In case of the absence of the President or Secretary from any of the meetings of the Association, a President or Secretary *pro tem* shall be appointed.

SEC. 4. At all the meetings of the Association a quorum for the transaction of business shall consist of a majority of the whole number of associated members.

Each bank or member belonging to the Association shall be represented at all meetings thereof by the President, Vice-President, Cashier, or such other person as may be duly authorized for that purpose; each organization being entitled to one vote only upon all questions coming before the Association, and any member of the Association not represented shall pay a fine of five dollars.

The annual meeting of the Association shall be held on the 3d Tuesday in January, and special meetings shall be called by the President or three members, whenever he or they may deem it necessary, or whenever requested in writing by three members of the Association.

SEC. 5. Upon the organization of the Association, and thereafter at the regular meeting in January in each year, a standing committee of five (5) members shall be elected by ballot, to be called the "Clearing House Committee," to whom shall be referred all applications for admission as members of the Association.

It shall be their duty to establish rules and regulations to be observed at the Clearing House, in cases not pro-

vided for in these articles, subject to the approval of the Association; and generally to supervise the Clearing House affairs. This committee shall have charge of the funds belonging to the Association, shall draw on each member for its quota of expenses, order paid all bills, by drawing upon the Treasurer for the same, and shall, at the stated meeting in January, submit detailed accounts of expenditures, and, if necessary, estimates of what may be required for the Clearing House the ensuing year; to hear and determine all disputes between members of the Association, that shall be submitted to them by both parties thereto. Such Committee shall record a brief abstract of each case referred to them, with their decision on the same, in a book provided for that purpose, which book shall be kept at the Clearing House, open to the inspection of the members of the Association.

One week's notice shall be given of an election to fill vacancies occurring in the offices or committees of the Association.

The Clearing House Committee shall have power to suspend the Manager, whenever, in their opinion, the interest of the Association shall require it, and in the event of a suspension, shall report the same immediately to the Association. They shall have power, in case of extreme emergency, to suspend any member from the privileges of the Clearing House, until the pleasure of the Association thereupon can be ascertained; but no such suspension shall take place unless a majority, at least, of the Committee

shall be present at the ordering thereof, nor unless the vote be unanimous. If any member of the Committee is connected with a bank or firm which it is proposed to examine or suspend he shall not in such case act or vote with said Committee.

In case of suspension, the Clearing House Committee shall forthwith call a meeting of the Association, to take the matter into consideration.

For cause deemed sufficient by the Association, at any meeting, any member may be expelled or suspended from the privileges of the Clearing House, provided a majority of the Association vote in favor thereof.

The Clearing House Committee shall make due report to the Association of any cause for suspension of the privileges of the Clearing House, and are authorized to confer with the several members on the subject.

SEC. 6. The hour for making exchanges at the Clearing House shall be 10:30 o'clock A. M., precisely. Until 12:30 o'clock P. M. each member shall have the privilege of adjusting at the Clearing House any balances arising from checks, notes, or acceptances not good, or for errors which any other member with an adverse interest shall have failed to adjust. Between 1:30 o'clock and 1:45 o'clock P. M. (excepting on Saturday, when payment shall be made at 12:45 o'clock P. M.), the debtor members shall pay to the Manager at the Clearing House, the balances against them, either in lawful money or National Bank Notes, or in such Clearing House certificates as may be

agreed upon from time to time. At 2 o'clock P. M. the creditor members shall receive from the Manager (excepting on Saturday, when they shall receive balances at 1 o'clock P. M.), at the same place, the respective balances due to them, provided the balances due from the debtor members shall then have been paid.

SEC. 7. All checks or vouchers received by any member in the exchanges of any day shall remain the property of the members who presented the same respectively at the Clearing House, and shall be held in trust only by the member so receiving the same until returned or the amount thereof actually paid, either to the Clearing House or to the member who presented the same as aforesaid. Should any member of the Association fail to pay to the Clearing House at the proper hour the balance against it, said defaulting member shall return to the Clearing House before one (1) o'clock P. M., without mutilation, all checks or vouchers received by them in the exchanges of that day, and all such checks or vouchers shall remain the property of members presenting the same at the Clearing House, and held in trust only, until they are returned, or the amount of same actually paid to the member of whom they were received, whereupon the other members shall, immediately upon notice, return to the Clearing House all the checks or vouchers which said defaulting member may have presented to them in the exchanges of that day, or pay the amount of same to the Clearing House, and the Manager shall adjust the settlement of balances accordingly.

SEC. 8. Should a member defaulting in the payment of balance due the Clearing House refuse to return the checks and vouchers, received by such member as provided in section seven (7) of these by-laws, then in that case the amount due from such defaulting member shall be immediately furnished to the Clearing House by the several members exchanging at that establishment with the defaulting member, in proportion to their respective balances against that member, resulting from the exchanges of the day, and the Manager shall make requisitions accordingly, so that the general settlement may be accomplished with as little delay as possible. The respective amounts so furnished the Clearing House on account of the defaulting member will of course constitute claims on the part of the several responding members, against that member, but as before stated the Association shall in no wise be responsible therefor.

SEC. 9. Errors in the exchanges and claims arising from the return of checks, or from any other cause, are to be adjusted directly between the members who are parties to them, and only through the Clearing House, when there is a failure to adjust between members.

SEC. 10. Reclamations for errors, or deficiencies in money received at the Clearing House, in packages, sealed or marked in conformity with any rule established upon that subject by the Clearing House Committee, are to be made within twenty-four hours by the receiving member, directly against the member whose mark the package bears; the



Association not to be responsible for the contents of such marked or sealed packages. All checks or other items received in the morning exchanges not found good, or mis-sent, shall be returned the same day received, *before 12:30 o'clock*, directly to the bank from whom received, and the said bank shall immediately refund to the bank returning the same the amount which it had received from the Clearing House for the said items so returned to it in Clearing House funds.

In case of the refusal or inability of any bank to promptly refund to the bank presenting such checks, drafts, or other items, returned as mis-sent or not good, the bank holding them may report to the Manager the amount of the same. And it shall be the Manager's duty, with the approval of the Clearing House Committee, to take from the settling sheet of both banks the amount of such checks, drafts or other items so reported, and to readjust the Clearing House statement and declare the correct balance in conformity with the change so made, provided that such report shall be given to the Manager before 12:30 p. m. of the same day.

SEC. 11. The expenses of the Clearing House shall be paid by the several members composing the Association, in such manner as shall be provided by the By-Laws.

SEC. 12. These Articles of Association shall be signed by the respective banks or bankers becoming members, and from that date shall become operative and binding.

SEC. 13. Applications for membership shall be referred to the Clearing House Committee. That Committee, or a majority thereof, shall make an examination of the assets of the applicant, and report the result to the Association, whereupon the applicant may be admitted to membership, by a three-fourths affirmative vote of members of the Association to be taken by ballot, at any meeting, for which notice has been given that such vote would be taken, upon payment of **five hundred dollars** initiation fee, and by signing these articles in the same manner as the original members.

SEC. 14. Upon a representation to the President, by any three members, that, in their opinion, the capital of any member of this Association has become seriously impaired, it shall become the duty of the Clearing House Committee (or there may be a special committee appointed for that purpose), to call upon such member for a statement of his or their condition, which statement shall be verified by examination of the assets of the member in question, by the Clearing House Committee (or special committee appointed for that purpose), who shall report the result to the President; *provided*, that if such questioned member shall prefer, he may make a deposit of securities satisfactory to the Clearing House Committee with such trustee as the Clearing House Committee shall approve, to indemnify the members of the Association for balances arising in the transactions of the Clearing House; and for non-compliance

with the conditions of this section any member shall be suspended.

SEC. 15. Any member may withdraw from the Clearing House, upon giving notice to that effect, and paying his quota of expenses. All members of the Association shall conform to rules as to hours of business, and other matters of intercourse adopted by the same during their continuance as members.

SEC. 16. Amendments of these Articles of Association may be made at a meeting of the Association, except as to new membership, by the vote of a majority of the members present, notice of the proposed amendment having been given at a previous meeting.

SEC. 17. No member of this Association shall clear for any other institution, or banking firm not a member.

SEC. 18. No Bank or Banking House shall be eligible to membership of this Association after July 1st, 1889, having less than \$100,000 paid up capital.

SEC. 19. All moneys paid to the Clearing House by the different members shall be paid in United States gold coin, legal tender notes, Silver certificates, National Bank notes, or such Clearing House certificates as shall be provided for by this Association, put up in such manner as the Clearing House Committee may direct. The value of any sealed package paid to the Clearing House shall be guaranteed by the member whose seal it bears, to any member breaking the seal within thirty days after the last date marked thereon by the sealing member; this guaran-

tee shall not extend to any package which may have passed into the hands of any party not a member of this Association.

SEC. 20. By-Laws, Rules and Regulations for the government of the Clearing House, that may be adopted by the Association, shall have the same binding obligation and effect upon the several organizations as this Constitution, and may from time to time be changed in the same manner as amendments to the Constitution.

The several members of the Milwaukee Clearing House Association hereby attest their agreement to the foregoing Constitution and agree to the conditions above written as to future amendments as they may be made.

## BY-LAWS.

### I.

All banks or bankers becoming members of this Association, shall pay regular assessments for expenses, in advance, and this rule will apply to original members, as well as to those becoming members after the adoption of this By-Law; and the Clearing House Committee shall fix the amount of annual assessments to be made upon new members when admitted into this Association.

### II.

The expenses of the Clearing House shall be paid quarterly, commencing Jan. 1, 1893, and it shall be the duty of the Manager within one week after the commencement of each quarter, to draw upon each member for such proportion of the same, as determined by the following annual assessment:

Wisconsin Marine & Fire Ins. Co. Bank.....	\$500
First National Bank.....	300
Milwaukee National Bank.....	200
National Exchange Bank.....	200
Marshall & Ilsley Bank.....	200
Second Ward Savings Bank.....	300
South Side Savings Bank.....	100
Central National Bank.....	200
Merchants Exchange Bank.....	300
Commercial Bank.....	200
Plankinton Bank.....	200
Wisconsin National Bank.....	250
German American Bank.....	50

## III.

The business hours of the different members of this Association shall be uniform, to be regulated from time to time, as occasion may require, by a two-thirds vote at any regular or special meeting of the Association, a quorum being present; and the same are now fixed as follows: Opening hour 10 o'clock A. M., closing hour 3 o'clock P. M., except on Saturdays at 2 P. M.

## IV.

Members of this Association will not receive on deposit checks upon any banks or bankers in Milwaukee who are not members of this Association.

## V.

All Currency paid to the Clearing House by the different members of this Association (except notes of one hundred dollars and upward) shall be put up in packages of five thousand (\$5,000) dollars or ten thousand (\$10,000) dollars each (when the amounts are sufficient); and the inside parcels of said packages shall bear the number of the bank putting up same with the date thereon. Such packages shall be securely bound with twine or tape, with a wide paper band around the center, fastened with wax, bearing the seal of the member putting up such package, and date of sealing.

No notes of a less denomination than five (\$5) dollars, except to make change, or over one thousand (\$1,000) dollars shall be paid in.

All gold coin paid to the Clearing House by the different members of this Association shall be put up in strong canvas bags containing five thousand (\$5,000) dollars each, securely fastened with twine or wire, and sealed in such a manner that in the opinion of the Manager of the Clearing House the fastening cannot be sufficiently released to allow of the removal of any of the contents without mutilating the seal. Such package to have a suitable label or tag, bearing the name of the sealing member, amount of contents, and date of sealing.

For all gold coin or currency paid to the Clearing House in amounts less than five thousand (\$5,000) dollars the value of the parcel or package shall be guaranteed by the bank whose number it bears, to the bank breaking the same until twenty-four hours after receiving the same, but in no case shall reclamation be made after a package has been paid to any party not a member of this Association.

## VI.

## SCALE OF FINES AT CLEARING HOUSE.

*First.* Disorderly conduct of clerk or messenger at the Clearing House, or disregard of the Manager's instructions, each offense, \$2.

*Second.* Any member failing to be properly represented punctually at the morning exchanges—

For the first five minutes or part thereof.....	\$3.00
For the second five minutes or part thereof.....	10.00
Over ten minutes late.....	25.00

*Third.* Debtor members failing to pay their balances by 1:45 o'clock P. M., \$3.

*Fourth.* Creditor members failing to attend for their balances by 2 o'clock P. M., \$3.

*Fifth.* All other errors, \$1.

*Sixth.* Balances remaining at the Clearing House after 2 o'clock P. M. (except on Saturday at 1 o'clock) shall be held by the Manager at the risk of the members who have failed to call for them.

#### VII.

The salary of the Manager is hereby fixed at twelve hundred (\$1,200) dollars per annum.

Expense for clerk hire in making the daily clearings to be paid out of the Manager's salary.

END OF  
TITLE